

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of a Request by Northern States
Power Company to Extend the Time for Filing
its Annual Cogeneration and Small Power
Production Tariff

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ORDER VARYING RULE AND
GRANTING EXTENSION OF TIME

PROCEDURAL HISTORY

On January 19, 1988 Northern States Power Company (the Company) requested a two month extension for filing its annual cogeneration and small power production tariff. The Company stated it needed more time to allow it to reflect the results of an ongoing study of its generation capacity in the filing. A January 1 filing is required under Minn. Rules, part 7835.0300.

The Department of Public Service investigated the request and recommended approval.

STATEMENT OF THE ISSUE

The issue before the Commission is whether to grant a variance of Minn. Rules, part 7835.0300 and permit a two-month delay in the Company's filing of its cogeneration and small power production tariff.

FINDINGS AND CONCLUSIONS

The Commission may grant a variance to any of its rules upon finding that the following conditions apply:

1. Enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule;
2. Granting the variance would not adversely affect the public interest; and

3. Granting the variance would not conflict with standards imposed by law.

Minn. Rules, part 7830.4400.

The Commission finds that the Company will be able to submit a more complete and accurate cogeneration and small power production tariff if it waits for the results of its generation capacity study. Capacity issues are central issues in setting cogeneration and small power production rates. Requiring the Company to file on time would likely result in inaccurate rates, which could not be corrected until January 1989. This would benefit neither the Company nor the cogenerators and small power producers with whom they do business. It might also mislead persons considering entering the cogeneration or small power markets.

Furthermore, the Company has agreed to protect the interests of cogenerators and small power producers by prospective application of any rate decrease and retroactive application of any rate increase.

The Commission finds that enforcing the rule would impose an excessive burden on the Company by forcing it to develop rates on the basis of incomplete information. The first requirement for granting a variance has therefore been met.

The Commission also finds that it is in the public interest for cogeneration and small power production tariffs to reflect as accurately as possible the utility's true capacity and costs of generation. This promotes cost-effective use of the resources of all parties and avoids sending false signals to cogenerators and small power producers. The second requirement for granting a variance has therefore been met.

Finally, the Commission finds that granting the variance would not conflict with any standard imposed by law. The third requirement for granting a variance has therefore been met.

The Commission finds that the Company has met the requirements for a variance in Minn. Rules, part 7830.4400 and will grant the variance requested.

ORDER

1. Northern States Power Company is granted a two-month extension, until March 1, 1988, to file its annual cogeneration and small power production tariff.

2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)